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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 005065

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TAGS: PGOV KDEM KMPI ECON JO SUBJECT: KING REACHES OUT TO PARLIAMENT IN WAKE OF FINANCE

MINISTER RESIGNATION

REF: A. AMMAN 4802 ¶B. AMMAN 4652 ¶C. AMMAN 4368

Classified By: CDA David Hale for Reasons 1.4 (b), (d)

SUMMARY

(C) The resignation of Finance Minister Bassem Awadallah was welcomed by traditionalist forces in parliament, most of whom are expected to drop their opposition to PM Badran's reformed cabinet in an upcoming vote of confidence. While some observers warn the move could embolden anti-reform forces, King Abdullah has used the resignation to help shore up support in parliament for his reform agenda. End Summary.

MIXED REACTION TO AWADALLAH RESIGNATION

- 12. (U) In a public letter to PM Badran quoted on the front pages of all major dailies, King Abdullah expressed regret at the resignation of controversial Finance Minister Bassem Awadallah on June 16 (ref A), calling it a "sacrifice" for reform. The King characterized calls to oust Awadallah as an "unjustified attack ... by those who criticize and stymie this national (reform) program," and stressed "reform is about principles, not persons." The King said Awadallah "gave Jordan a lot and he will continue to do so in a distinguished way if new developments require his return.'
- (C) For their part, the 48 MPs who had publicly pledged to withhold confidence in Badran's government over the composition of the cabinet (and who had put Awadallah's removal at the top of their demands) (refs B, C), expressed satisfaction with the resignation.
 MP Abdel Jalil Maaytah (East Banker, Kerak) told
 reporters that Awadallah's departure was a "positive that would defuse the crisis between the government and parliament. MP Abdullah al-Jazi (East Banker, Southern Badia) noted to poloff that the resignation had paved the way for a vote of confidence when parliament convenes for an extraordinary session (most likely during the first half of July). Mohammad Arsalan (East Banker, Zarqa) said in a meeting with poloff that while he fully supported Awadallah's economic policies, he nevertheless welcomed the resignation, stating it was "the price the government had to pay" for ignoring parliament and choosing a minister known to alienate MPs.
- 14. (C) Political analysts viewed Awadallah's departure as marking a new chapter in Jordanian politics in which the traditionalists in parliament, feeling their interests under threat, are now more than willing to directly challenge the government despite their strong pro-Hashemite loyalties. "The resignation has become the new reality of the political scene," Director of the the new reality of the political scene," Director of the Center for Strategic Studies at the University of Jordan Mustafa Hamarneh told press. Al-Ghad columnist Samih Maaytah wrote, "The resignation was a political exit for the impasse between both sides," adding that he expected a limited cabinet reshuffle would not have a "qualitative change or effect." Dr. Mohammad al-Momani, a professor of political science at Yarmouk University, complained that Awadallah's resignation was a victory for "antireformers" and gave the traditionalists "an upper hand" in dictating the pace and scope of Jordan's reform program.
- (U) The English-language Jordan Times was downright vicious in criticizing those who forced downright vicious in criticizing those who forced Awadallah's resignation, lambasting them as "playground bullies" whose agitation "arises from an appalling self-interest." It accused them of "sacrificing the interests of the many in national reform" for the interests of a few who are desperate to "reinforce the status quo." "To these deputies, we say, you have no right to hold the country hostage to

KING MAKING THE ROUNDS IN PARLIAMENT

- 16. (U) In the wake of Awadallah's departure, King Abdullah has initiated consultations with all parliamentary blocs in an effort to build support for PM Badran's government and his reform agenda. In the first of a series of meetings, the King met on June 19 at the Royal Court with 28 MPs representing the National Parliamentary Action Front (led by Lower House Speaker Abdul Hadi Majali) and the New Reformists bloc, urging that a "new chapter" be opened between the deputies and the cabinet. According to a press release by the Jordan News Agency, he told the MPs that "judgments should be on programs and not on persons," and emphasized that the legislative and executive branches should "work as one team." Reflecting comments made to Secretary Rice during their meeting later that evening (septel), the King also said the government needed to engage in a dialogue with parliament to better explain Jordan's accomplishments to citizens. "I sensed that there was shortcomings in talking (to citizens) about national programs and achievements."
- 17. (C) MP Arsalan told poloff that the June 19 meeting was "very positive" and that the King acknowledged that past governments had done a poor job in providing information to MPs. According to Arsalan, all the MPs in attendance (including those who had threatened to withhold confidence in the government) expressed their support for the King's reform efforts, though he questioned the sincerity of some of these professions.
- 18. (U) King Abdullah continued his outreach to MPs in separate meetings on June 20 and 21 with other blocs. During his talks with deputies from the Islamic Action Front (IAF) and the centrist National Democratic Coalition, the King announced a soon to be released "integrated study" by the Royal Court on new anticorruption mechanisms designed to increase transparency in government and cut graft. MPs reportedly focused their remarks on poverty and unemployment. Outside of the palace, PM Badran is conducting a similar outreach effort, holding multiple meetings with groups of MPs, as well as leaders of political parties.

COMMENT

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- 19. (C) While some observers warn that Awadallah's resignation may embolden anti-reform forces, the palace has no intention of scaling back or slowing down its reform agenda. Rather, the King is attempting to use the resignation to the GOJ's benefit, indicating to obstructionist MPs that with their demands for Awadallah's departure now met, and with a renewed commitment to increased engagement with parliament, it's time for them to fall in line. The expected addition of new ministers from the south in an anticipated limited cabinet reshuffle will also serve to placate traditionalist MPs. Royal Court Minister Marwan Muasher told Charge on June 23 that the reformed cabinet would be unveiled late next week, with 7-9 new ministers, among them himself as Deputy Prime Minister and de facto head of the economic team and the reform agenda. A vote of confidence would be set shortly thereafter, as soon as parliamentary speaker Majali returned from foreign travel. Painful steps, including a 25% cut in fuel subsidies, would follow immediately afterward.
- 110. (C) As a result of this particular crisis, the palace and GOJ have learned, albeit somewhat painfully, that selecting a government without parliamentary input and introducing legislation without a concerted attempt to justify its benefits are out of step with calls for more democracy and a surefire way to generate suspicions and provide ammunition to the opponents of reform. Although many MPs are narrowly focused on their own personal interests and have little appetite for genuine reform, a majority of them are still predisposed to support the King and, by proxy, the government if the palace makes clear its support for the GOJ agenda. More regular dialogue with parliament, and a better government PR campaign to promote reform among the genuine public, will serve the GOJ well.